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February 6, 2018

To: Chairman Olson and Utilities Committee Members

From: Aron Cromwell, CEO Cromwell Solar

RE: SB 322 - Proponent Verbal Testimony

I am Aron Cromwell, an engineer, solar installer, and the CEO of Cromwell Solar, the largest solar energy firm in Kansas. I am here in support of SB 322, which would return the Net Metering statute to its original form and protect a homeowner's right to create some of their own energy on their own property. Put simply, strong net metering is what allows Kansas property owners to invest in their property as they see fit.

At the behest of state electric utilities, the 2014 amendments to this original net metering statute included what amount to poison pills aimed at killing the expansion of solar in Kansas. Specifically, these changes:

- 1) Allow utilities to seek different rates for customers with solar and other Distributed Generation.
- 2) Put an end date on net metered systems of Jan. 1, 2030, and
- 3) Reduce the allowable size of net metered systems.

Because property owners now see uncertainty in their plans for solar investments, Kansas solar firms are experiencing a decline in residential projects with each passing year.

At the same time, jobs in solar installation are among the fastest growing in the country. These jobs in Kansas were growing at an upward trend until this past year. Now, for the residential projects which are affected by the changes in the policy they are stagnating. Policy uncertainty does not lead to the growth in jobs all of us wish to see in Kansas. We've seen this in multiple ways: with the 2014 changes to Net Metering here in Kansas, the recent tariffs added to imported solar panels at the Federal level, and at the upcoming sun-setting of Federal tax incentives beginning at the end of next year.

There is a problem with having the KCC be responsible for changes in policy regarding solar and that is that the KCC has a very narrow scope of issues they are allowed to consider, but you as Legislators can and should consider for the greater good of Kansas. The issue of net metering and distributed generation transcend the issue of same-year price effects. Benefits of solar on the grid include many factors outside the KCC's ability to consider including long-term cost savings to the rate-payers for avoided maintenance, grid stability and security, as well as other benefits a thriving solar industry adds to the state like increased primary and secondary jobs, decreased health care expenditures, and increased ability to meet any potential environmental requirements of the state or federal government, and many more. With society on the cusp of transitioning to electric cars and amazing new battery technology coming, the state of Kansas needs a solar industry able to help our utilities make this transition. Our state needs a strong and diverse energy industry including utilities and distributed generation.

The Bill you are asked to consider maintains strong protections for the utilities including a cap so that they need to allow no more than a mere 1% of their peak load from net-metered solar (today that fraction is so small it rounds to zero). With this sort of protection in place, the risks to the utilities of allowing solar to continue by passing this Bill are completely mitigated. Unfortunately, there are no protections in place for the state's solar industry, by not passing this Bill the risks are huge that the state will lose a growing sector of our economy. It is important to consider that while the effects of the Bill may be limited to only the investor owned utilities (IOU), the reality is that the co-ops and municipal owned utilities look to the rules of the IOUs to formulate their own policies; the impact of this Bill will reverberate throughout the state and not be limited to the territory of the IOUs.

The Kansas solar industry is small but growing. We have solar customers from every corner of Kansas, from every walk of life. Throughout the state we are training and employing new installers, designers and office staff, and using sub-contractors. These are good careers for Kansans. We talk a lot about job creation in the state house, everyone agrees it is our top priority and worthy of conducive state policies. I present to you today that this Bill will help us create new Kansas jobs. It will also maintain the right of Kansas property owners to invest in their properties in ways that create the larger societal benefits of home-grown energy without the threat of personal financial hardship.

I appreciate your service to my State and your time in the consideration of all sides of this issue. I would be happy to answer questions at your convenience. I can be reached at the office at 785-749-6020 or via email at ACromwell@CromwellEnv.com.

Sincerely,

A handwritten signature in black ink, appearing to read 'Aron Cromwell', written in a cursive style.

Aron Cromwell, CEO Cromwell Solar
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